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Jeb Spaulding, Secretary

PRESS RELEASE

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FOR IMMEDIATE RELEASE

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Montpelier, VT – Shumlin Administration Releases Vermont’s Preliminary Revenue Results for June 2013 and Fiscal Year 2013.

General Fund

Secretary of Administration Jeb Spaulding released the June 2013 General Fund (GF) Revenue results today. June is the final month of fiscal year (FY) 2013. Preliminary year end General Fund revenues were \$1,288.62 million; +\$26.11 million or +2.07% ahead of the cumulative target of \$1,262.50 million. Preliminary General Fund revenues totaled \$112.39 million for June 2013; -\$5.77 million or -4.88% below the \$118.16 million consensus revenue forecast for the month.

Commenting on the fiscal year end results, Governor Peter Shumlin explained, “The news that we ended the fiscal year \$26 million over projection is welcome and encouraging. Overall General Fund revenues were 7.7% ahead of last year and I am especially pleased that personal income and corporate income collections were up 10.5% and 10.7% respectively. We know we cannot count on unimpeded progress. With the federal gridlock and fiscal problems, unpredictable weather, and global economic uncertainty, we have plenty of challenges ahead. While we must keep our focus on economic progress, the year-end results for the state budget add to our confidence that we are on the right path.”

Secretary Spaulding continued, “June’s preliminary General Fund receipts experienced some let down from the last couple of months, primarily due to higher than expected refunding activity in Personal Income Tax and Corporate Income Tax. In addition, the previous softness we had been experiencing in Insurance Tax and Estate Tax continued. Overall, though, the fact that all four of the major General Fund categories (Personal Income, Sales & Use, Rooms & Meals, and Corporate Income) were up for the year compared to last year continues the positive trajectory we have been on since emerging from the Great recession.”

Current targets reflect the Fiscal Year 2013 Consensus Revenue Forecast adopted by the Emergency Board at their January 23, 2013 meeting. Statutorily, the State is required to revise the Consensus Revenue Forecast two times per year, in January and July; the Emergency Board June

schedule interim revisions if deemed necessary. The July 2013 meeting is scheduled for Tuesday, July 23, 2013.

Personal Income Tax (PI) receipts are the largest single state revenue source providing approximately 48%-49% of total GF revenue; the preliminary FY 2013 percentage is 51%. PI Tax receipts are reported Net-of-Personal Income Tax refunds. Net Personal Income Tax is comprised of PI Withholding Tax, PI Estimated Payments, PI Refunds Paid, and PI Other. Preliminary Net PI Receipts for June were \$59.78 million against a monthly target of \$65.49 million, or -8.71%. The preliminary year to date Net PI Receipts were \$660.65 million or +5.77% above the FY 2013 target and +10.66% ahead of the results for the same period of the prior fiscal year (FY 2012).

Corporate Income Taxes are also reported net-of refunds. For the month of June, preliminary receipts for June were \$13.02 million, or -7.82% short of the target of \$14.12 million. Preliminary year to date Corporate Income Tax receipts were \$94.95 million or +0.90% above target. Compared to the same period for the prior fiscal year (FY 2012), Corporate Income Tax receipts exceed the prior year by +10.51%.

Consumption tax results for June were mixed against target for the month: Sales & Use Tax receipts of \$19.22 million were ahead of target by +\$0.80 million or +4.34%; while Rooms & Meals Tax receipts of \$9.22 million were short of target by -\$0.20 million or -2.09%. Year to date, Sales & Use Tax receipts of \$231.18 million are -0.70% below the target of \$232.80 million. Cumulative Rooms & Meals Tax of \$134.79 million are ahead of target by +1.96%. Sales & Use Tax and Rooms & Meals Tax through June both exceed receipts for the prior year by +1.44% and +6.24%, respectively.

The remaining non-major tax components include Insurance, Inheritance & Estate Tax, Real Property Transfer Tax, and "Other" (which includes: Bank Franchise Tax, Telephone Tax, Liquor Tax, Beverage Tax, Fees, and Other Taxes). The results for the remaining non-major categories for June were as follows: Insurance Tax, \$0.79 million (-33.33%); Inheritance & Estate Tax, \$0.62 (-57.35%); Property Transfer Tax, \$0.94 million (-4.98%); and "Other", \$8.79 million (+24.34%). The fiscal year to date June results for the remaining non-major categories were: Insurance Tax, \$55.02 million (-7.21%); Inheritance & Estate Tax, \$15.39 million (-28.77%); Property Transfer Tax, \$9.16 million (+0.03%); and "Other", \$87.48 million (-1.43%). Cumulatively, the total non-major component receipts of \$167.05 million exceeded the prior year total by +\$7.76 million, or +4.88%.

Preliminary General Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD				Prior Fiscal YTD		
	Target	Prelim. Revenue	\$ Change	% Change	Target	Prelim. Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Personal Income	65.49	59.78	-5.70	-8.71%	624.60	660.65	36.05	5.77%	597.00	63.65	10.66%
Sales & Use	18.42	19.22	0.80	4.34%	232.80	231.18	-1.63	-0.70%	227.89	3.28	1.44%
Corporate	14.12	13.02	-1.10	-7.82%	94.10	94.95	0.85	0.90%	85.92	9.03	10.51%
Meals & Room	9.42	9.22	-0.20	-2.09%	132.20	134.79	2.59	1.96%	126.87	7.92	6.24%
Insurance Premium	1.19	0.79	-0.40	-33.33%	59.30	55.02	-4.28	-7.21%	56.35	-1.32	-2.35%
Inheritance & Estate	1.46	0.62	-0.84	-57.35%	21.60	15.39	-6.21	-28.77%	13.33	2.06	15.43%
Real Prop. Transfer	0.99	0.94	-0.05	-4.98%	9.15	9.16	0.00	0.03%	7.86	1.30	16.51%
Other	7.07	8.79	1.72	24.34%	88.75	87.48	-1.27	-1.43%	81.75	5.73	7.01%
Total	118.16	112.39	-5.77	-4.88%	1,262.50	1,288.62	26.11	2.07%	1,196.97	91.65	7.66%

*Differences due to rounding

Transportation Fund

The preliminary non-dedicated Transportation Fund Revenue for June was also reported on by Secretary Spaulding. Total non-dedicated Transportation Fund receipts of \$25.63 million for the month exceeded the target by +\$0.11 million (+0.45%). Preliminary year to Date, non-dedicated Transportation Fund receipts of \$228.19 were -0.40% below the target of \$229.10 million. Compared to FY 2012, year to date June Transportation Funds receipts exceed the prior year by +\$6.48 million or +2.92% for the same period.

Individual Transportation Fund revenue receipts components for June were: Gasoline Tax, \$6.50 million or +31.31% above target; Diesel Tax, \$2.27 million or +16.98% ahead of target; Motor Vehicle Purchase & Use Tax, \$6.73 million or -4.05% below target; Motor Vehicle Fees, \$8.19 million or -12.58% below target; and Other Fees, \$1.95 million or -13.45% below target for the month. Year to date results for the individual Transportation Fund revenue components for June were: Gasoline Tax, \$59.92 million or +1.40% above target; Diesel Tax, \$15.65 million or +0.30% above target; Motor Vehicle Purchase & Use Tax, \$55.70 million or -0.18% below target; Motor Vehicle Fees, \$77.87 million or -1.56% short of target; and Other Fees, \$19.05 million or -2.28% below the target.

Secretary Spaulding said, “Transportation Fund receipts exceeded target for June, primarily due to the gas tax increase that went into effect May 1st and for which we are now seeing receipts. Without this gas tax increase the Transportation Fund receipts would have been below target for the month. In the new fiscal year (FY 2014) a diesel tax increase becomes effective July 1st. We will not see increased diesel tax receipts until the August revenue report. We will have to wait for the revised consensus revenue forecast on July 23rd to see if the impact of the combined gas and diesel tax increases will improve FY 2014 Transportation Fund receipts and the continued softness in Fees.”

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for June were \$1.78 million or +0.92% above the monthly target; year to date TIB Gas receipts were \$21.21 million or -0.43% below target. TIB Fund Diesel receipts for the month were \$0.27 million or +2.49% above the monthly target; year to date TIB Diesel receipts were \$1.76 million or -7.21% below target. The year to date TIB Gas and Diesel results were +1.40% ahead and -8.27% behind the TIB Fund Gas receipts and TIB Diesel receipts, respectively, from the prior year (FY 2012). TIB Fund receipts are noted below the following table:

*Preliminary Transportation Fund By Major Element (In Millions)**

Tax Component	Month				Fiscal YTD				Prior Fiscal YTD			
	Target	Prelim. Revenue	\$ Change	% Change	Target	Prelim. Revenue	\$ Change	% Change	Revenue	\$ Change	% Change	
Gasoline	4.95	6.50	1.55	31.31%	59.10	59.92	0.82	1.40%	59.28	0.64	1.08%	
Diesel Fuel	1.94	2.27	0.33	16.98%	15.60	15.65	0.05	0.30%	16.00	-0.35	-2.22%	
MV Purchase & Use	7.01	6.73	-0.28	-4.05%	55.80	55.70	-0.10	-0.18%	54.60	1.10	2.01%	
Motor Vehicle Fees	9.37	8.19	-1.18	-12.58%	79.10	77.87	-1.24	-1.56%	73.54	4.32	5.88%	
Other	2.25	1.95	-0.30	-13.45%	19.50	19.05	-0.45	-2.28%	18.28	0.77	4.24%	
Total	25.52	25.63	0.11	0.45%	229.10	228.19	-0.91	-0.40%	221.71	6.48	2.92%	
Note:												
TIB Fuel												
Fees/Gasoline	1.76	1.78	0.02	0.92%	21.30	21.21	-0.09	-0.43%	20.92	0.29	1.40%	
TIB Fuel Fees/Diesel	0.27	0.27	0.01	2.49%	1.90	1.76	-0.14	-7.21%	1.92	-0.16	-8.27%	

*Differences due to rounding

Education Fund

Secretary Spaulding also released the preliminary “non-Property Tax” Education Fund revenues (which constitute approximately 12% of the total Education Fund sources) today. The preliminary non-Property Tax Education Fund receipts for June totaled \$16.93 million, or +\$1.47 million (+9.54%) above the \$15.46 million target for the month, owing largely to additional Lottery transfer receipts due to unclaimed prizes. Year to date, non-Property Tax Education Fund receipts were \$166.45 million, or -0.21% short of the year to date target. The individual Education Fund revenue component results for June were: Sales & Use Tax, \$9.61 million, or +4.34% above target; Motor Vehicle Purchase & Use Tax, \$3.36 million or -4.06%; Lottery Transfer, \$3.97 million or +45.25%; and Education Fund Interest for June was less than \$0.0 million against a target of less than \$0.01 million. Year to date receipts by component were: Sales & Use Tax, \$115.59 million, or -0.70% short of target; Motor Vehicle Purchase & Use Tax, \$27.85 million or -0.18%; Lottery Transfer, \$22.94 million or +2.39% above target; year to date Education Fund Interest was less than \$0.08 million against a target under \$0.10 million or -21.37%. As compared to prior year, FY 2013 year to date non-Property Tax Education Fund receipts are +1.73% ahead of the FY 2012 results for the same period.

Preliminary Education Fund By Major Element (In Million)

Non-Property Tax Component	Month				Fiscal YTD				Prior Fiscal YTD		
	Target	Prelim. Revenue	\$ Change	% Change	Target	Prelim. Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Sales & Use	9.21	9.61	0.40	4.34%	116.40	115.59	-0.81	-0.70%	113.94	1.65	1.45%
MV Purchase & Use	3.50	3.36	-0.14	-4.06%	27.90	27.85	-0.05	-0.18%	27.30	0.55	2.01%
Lottery Transfer	2.73	3.97	1.24	45.25%	22.40	22.94	0.54	2.39%	22.33	0.61	2.72%
Investment Income	0.01	-0.01	-0.02	-147.60%	0.10	0.08	-0.02	-21.37%	0.05	0.03	64.35%
Total	15.46	16.93	1.47	9.54%	166.80	166.45	-0.35	-0.21%	163.62	2.83	1.73%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “Overall, FY 2013 saw growth over the prior year in all four major funds, with the strongest being in the General Fund, which took in 7.7% more than last year. That is good news and indicates continuing economic recovery, but the current consensus forecast for revenue growth for this new fiscal year is somewhat more subdued, in the range of 4 ½ %, and that could be adjusted up or down at next week’s Emergency Board meeting. We look forward to the updated forecast.

Attachments

The detailed schedules of the June 2013 year to date revenue results comparing the current periods with last year follow.

Note: Minor differences in figures are due to rounding.

**Comparative Statement of Revenues
General Fund
As of June 30, 2013**

General Fund Schedule 2 June	Total to Date Last Year	Preliminary Total to Date This Year	% of Change
Taxes			
Personal Income	596,998,576	660,647,911	10.66%
Sales & Use	227,892,414	231,175,242	1.44%
Corporate	85,920,854	94,951,092	10.51%
Meals & Room	126,873,783	134,790,908	6.24%
Liquor & Wine	16,428,391	16,986,610	3.40%
Insurance Premium	56,345,855	55,023,385	-2.35%
Telephone Gross Receipts	208,063	203,498	-2.19%
Telephone Property	9,415,453	9,172,704	-2.58%
Beverage	5,974,632	6,172,231	3.31%
Electric Generating	2,930,156	8,920,873	204.45%
Inheritance & Estate	13,334,885	15,386,520	15.39%
Real Property Transfer	7,858,137	9,155,436	16.51%
Bank Franchise	10,658,134	10,684,266	0.25%
All Other Taxes	1,236,952	1,767,801	42.92%
Total Taxes	1,162,076,286	1,255,038,479	8.00%
Other Revenues			
Business Licenses	3,048,417	2,803,146	-8.05%
Fees	20,899,181	21,363,759	2.22%
Services	2,329,880	2,523,296	8.30%
Fines, Forfeits & Penalties	7,362,101	4,715,608	-35.95%
Interest, Prem	389,628	490,607	25.92%
Special Assessments	0	0	0.00%
All Other Revenues	864,817	1,680,104	94.27%
Total Other Revenues	34,894,025	33,576,520	-3.78%
Total General Fund	1,196,970,311	1,288,614,998	7.66%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: July 15, 2013

**Comparative Statement of Revenues
Transportation Fund
As of June 30, 2013**

TF Detail Schedule 2 June	<u>Total to Date Last Year</u>	<u>Preliminary Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Taxes			
Gasoline	59,283,530	59,924,535	1.08%
Diesel Fuel	16,002,173	15,647,419	-2.22%
MV Purchase & Use	<u>54,604,421</u>	<u>55,701,947</u>	2.01%
Total Taxes	<u>129,890,124</u>	<u>131,273,901</u>	1.07%
Other Revenues			
Motor Vehicle Fees	73,544,143	77,864,989	5.88%
Other	18,279,851	19,054,547	4.24%
Total Other Revenues	<u>91,823,993</u>	<u>96,919,536</u>	5.55%
Total Non-Dedicated	<u>221,714,118</u>	<u>228,193,436</u>	2.92%
Dedicated			
Federal Aid	398,229,171	287,470,889	-27.81%
Infrastructure Bond Fund Revenue	22,830,240	22,971,841	0.62%
Other	<u>5,409,768</u>	<u>2,902,759</u>	-46.34%
Total Dedicated	<u>426,469,179</u>	<u>313,345,489</u>	-26.53%
Total Transportation Fund	<u><u>648,183,297</u></u>	<u><u>541,538,926</u></u>	<u><u>-16.45%</u></u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: July 15, 2013

State of Vermont
Comparative Statement of Revenues
Education Fund
As of June 30, 2013

Education Fund Schedule 2 June	Total to Date	Preliminary	
	Last Year	This Year	% of Change
Non-Dedicated			
Estimated Revenues:			
Sales & Use	113,944,498	115,585,887	1.44%
Purchase & Use	27,302,211	27,850,839	2.01%
Lottery Transfer	22,328,096	22,935,784	2.72%
Investment Income	48,267	78,635	62.92%
Total estimated revenues	163,623,071	166,451,145	1.73%
Other Revenues:			
Education Property Taxes	913,690,708	932,412,610	2.05%
Electric Energy Educ Prop Tax	2,137,953	0	-100.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	915,828,661	932,412,610	1.81%
Total Education Fund	1,079,451,732	1,098,863,756	1.80%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: July 15, 2013